

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 COME-00 EB-08 LAB-04 SIL-01 /084 W
-----291401Z 049198 /47

R 291159Z APR 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 3244
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION GENEVA
AMEMBASSY PARIS
USMISSION EC BRUSSELS
USMISSION NATO BRUSSELS
USMISSION OECD PARIS

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E.O. 11652: N/A
TAGS: ELAB, UK
SUBJECT: AFTER A HALCYON YEAR, THE STRIKES ARE BACK IN
BRITAIN

REF: A) LONDON 4599 B) LONDON 6863

BEGIN SUMMARY. GROWING LABOR UNREST IN BRITAIN IS RE-
FLECTED IN THE FIGURES JUST RELEASED BY THE DEPARTMENT
OF EMPLOYMENT WHICH SHOW THAT 1,116,000 WORKING DAYS

WERE LOST THROUGH STRIKES LAST MONTH -- THE HIGHEST
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SINCE 1974. THIS IS A SHARP REVERSAL OF THE TREND SHOWN
IN THE 1976 STRIKE STATISTICS WHICH REGISTERED THE
LOWEST NUMBER OF DISPUTES FOR A DECADE. THE MAJORITY OF
THE RECENT CONFLICTS WERE OVER PAY, AND APRIL FIGURES
WILL NOT BE MUCH CHEERIER, SINCE THEY WILL INCLUDE THE
JUST-ENDED HEATHROW AIRPORT STRIKE, AS WELL AS OTHER
SERIOUS DISPUTES LIKE THOSE AT FORD'S HALEWOOD PLANT

AND BRITISH STEEL'S PORT TALBOT WORKS, WHICH ARE CONTINUING. END SUMMARY.

1. THE YEAR 1976 WAS A MORE HALCYON YEAR IN INDUSTRIAL RELATIONS, WITH THE LOWEST STRIKE RECORDED SINCE 1966 (SEE SEPAIR - ANNUAL LABOR REPORT, 1976). GOVERNMENT LEADERS AND OFFICIALS POINTED WITH PRIDE AT THESE ENCOURAGING FIGURES AND STRESSED THAT BRITAIN'S REPUTATION FOR INDUSTRIAL UNREST WAS NO LONGER VALID. ALAS, HOWEVER, THE TREND IS REVERSING. FIGURES JUST RELEASED BY THE DEPARTMENT OF EMPLOYMENT SHOW THAT 1,116,000 DAYS LOST WERE RECORDED DURING MARCH, AND THAT THE TOTAL NUMBER OF DAYS LOST DURING THE FIRST QUARTER OF 1977 IS 2,331,000. THIS CONTRASTS WITH 866,000 MAN DAYS LOST IN THE FIRST THREE MONTHS OF LAST YEAR.

2. THE MARCH INCREASE WAS CONCENTRATED IN THE METALS, ENGINEERING, SHIPBUILDING AND VEHICLE INDUSTRY. AMONG THE MOST DRAMATIC OF THESE DISPUTES WAS THE BRITISH LEYLAND TOOLMAKERS STRIKE WHICH THREATENED THE VERY EXISTENCE OF THE COMPANY (REF A). ANOTHER DRAMATIC STRIKE WAS A DISPUTE BY MAINTENANCE ENGINEERS AT HEATHROW AIRPORT WHICH ENDED APRIL 27 (REF B) AFTER LASTING 24 DAYS AND COSTING BRITISH AIRWAYS MILLIONS OF POUNDS. NEITHER STRIKE HAD THE SANCTION OF THE CENTRAL BODY OF THE UNION (THE AMALGAMATED UNION OF ENGINEERING WORKERS) AND WHEN THEY ENDED, PROVIDED LITTLE IMMEDIATE BENEFIT TO THE STRIKERS. BOTH STRIKES REPRESENTED INDIRECT ASSAULTS BY SKILLED WORKERS OVER INCOMES POLICY' LIMITED OFFICIAL USE

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AND THE EROSION OF SKILLED WORKER PAY DIFFERENTIALS IN PARTICULAR. (THE WERE ATTEMPTS TO STRETCH STAGE II WAGE RESTRAINT POLICY TO THE BREAKING POINT.)

3. TWO OTHER ONGOING STRIKES OF A SERIOUS CHARACTER INVOLVE SIMILAR CHALLENGES TO THE PRESENT PAY POLICY BY SKILLED WORKERS. THERE ARE OVER 500 ELECTRICIANS ON A WILDCAT STRIKE AT BRITISH STEEL CORPORATION'S PORT TALBOT PLANT IN SOUTH WALES WHICH HAS LASTED FOR OVER A MONTH, HAS CAUSED THE WORKS (EMPLOYING ABOUT 8,000) TO SHUT DOWN. IT TOO IS OVER PAY DIFFERENTIALS. TOOLMAKERS AT FORD'S HALEWOOD PLANT IN LIVERPOOL QUIT WORK ON APRIL 15 OSTENSIBLY BECAUSE OF THE SUSPENSION OF SOME OF THEIR CO-WORKERS BUT ACTUALLY OVER PAY DIFFERENTIALS, WHICH IS EXPRESSED IN A DEMAND FOR SEPARATE NEGOTIATING MACHINERY.

4. THE DE FIGURES INDICATE THAT MORE THAN HALF OF THE NUMBER OF WORK STOPPAGES BEGINNING IN MARCH CENTERED ON

PAY, BUT IT IS CLEAR, TOO, THAT MANY OF THE OTHER DIS-
PUTES, WHILE OSTENSIBLY CAUSED BY OTHER FACTORS, CAN BE
ATTRIBUTED TO BASIC PAY FRUSTRATIONS OVER DIFFERENTIALS.
THE "SICKEST" OF BRITISH INDUSTRIES, IN TERMS OF
THESE STATISTICS, REMAINS THE AUTOMOBILE INDUSTRY, WITH
994,000 LOST DAYS (42 PERCENT OF THE TOTAL) DURING THE
FIRST QUARTER OF 1977. IF DAYS LOST IN THE STEEL AND

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AIRLINES INDUSTRIES ARE INCLUDED, INDUSTRIAL ACTION IN
THE PUBLIC SECTOR ACCOUNTS FOR THE MAJORITY OF TOTAL
DAYS LOST.

5. THESE GRIM FIGURES ARE HARDLY ENCOURAGING TO THE
GOVERNMENT LEADERS SUCH AS PRIME MINISTER CALLAGHAN AND

CHANCELLOR OF THE EXCHEQUER DENIS HEALEY WHO ARE TRYING TO "REV" UP TRADE UNION SUPPORT FOR A THIRD ROUND. ON THE OTHER HAND, SOME POLLS (SUCH AS THE GALLOP POLITICAL INDEX, FEBRUARY 1977) INDICATE THAT 61 PERCENT OF THEIR LIMITED OFFICIAL USE

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RESPONDENTS APPROVED THE GOVERNMENT'S PRESENT WAGE RESTRAINING POLICY WHILE 31 PERCENT DISAPPROVED. (IT SHOULD BE SAID THAT THIS PERCENTAGE IS THE LOWEST APPROVAL FIGURE POLLED BY GALLUP SINCE JULY 1975, BUT IS STILL QUITE SUBSTANTIAL.) PAY POLICY, HOWEVER, IS NOT DECIDED BY POLL OR REFERENDUM BUT BY UNION CONFERENCES AND, MORE IMPORTANTLY, IN PRACTICE ON THE SHOP FLOOR. BUT, ASSUMING A WORKABLE PAY DEAL IS AGREED WHICH TENDS TO RELIEVE SOME OF THE PRESENT FRUSTRATIONS WORKERS SUFFER, ESPECIALLY THE SKILLED SECTORS, WHAT IMPACT WILL IT HAVE ON STRIKES? DAVID BLAKE, ECONOMICS CORRESPONDENT FOR THE "TIMES" (APRIL 28, 1977) IS PESSIMISTIC: "EVEN IF THE GOVERNMENT SUCCEEDS IN SECURING A NEW PAY DEAL, IT IS UNLIKELY TO BE OF A FORM SIMPLE ENOUGH TO HAVE A DRASTIC IMPACT IN HOLDING DOWN STRIKES." MR. /HEALEY COULD WELL RESPOND, "WE'LL CROSS THAT BRIDGE WHEN WE COME TO IT -- IF WE GET TO IT. BUT LET'S GET A PAY DEAL FIRST."

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